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Ald to a decision of Government of Govern

March 10, 1960

Dan:

Subject: Contract PR-8200

Confirming our telephone conversation regarding our March 3 definitive proposal on the subject contract and its relationship to the estimate presented in Document No. 111, dated February 10, 1960, we have the following comments:

On February 12, we visited your office and presented as a budget cost proposal our Document No. 111, which contained figures for a prototype and five (5) additional systems in the amount of inclusive of fee, but exclusive of the equipment listed in Attachment "A" to that document. At this meeting we were requested to prepare a definitive proposal, including a statement of work, delivery schedule, costs, etc. Our proposal of March 3, 1960, was prepared and submitted to your office to fulfill this request. It amounted to equipment listed in Appendix "A".

Although this estimate was based on a careful review of the project and is felt to be a realistic estimate of what it will cost to complete the project as outlined in the statement of work in the proposal, we realize that any estimate made this early in a program of this magnitude and duration is susceptible to some uncertainty. Since your decision to go ahead with us on this program was based on the estimate presented in our Document No. 111, we will make every reasonable effort to complete the work for the cost presented in that document. We confirm our willingness to accept the figures presented in that document as a basis for definitizing our present letter contract with you. The statement of work, delivery schedule, and the terms and conditions of our March 3 proposal still apply; however, the funding schedule presented in that proposal will necessarily be reduced, the major reduction occurring in Fiscal 1962.

Budget data on M & O, spare parts, and field service for Fiscal 1962 for operational support of the accepted units will be furnished you in a separate letter.

We hope that this information will enable you to proceed with the necessary steps leading to a definitized contract. Please call me if you have any questions or require additional information.

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Regards,

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